

# Behavioral Targeting in Online Advertising

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# What is Behavioral Targeting?

- When you surf the Web and perform certain actions online (visit pages, submit search queries, click on ads, purchase items), **the sites and their third party ad servers are tracking your surfing habits. HOW?**
- **Cookies** : text-only string of information that site or ad serving company transfers to the cookie file on a user's computer hard drive so that site or ad serving company can recognize the user later. A cookie always contains a randomly generated unique number (cookie ID).
- **Pixels**: Aka web beacon or action tag- a transparent graphic image (usually 1 pixel x 1 pixel) that is placed on a website, ad, or in an email. When a tag is triggered, it collects information about the user's interaction with the website, ad, or email. Used in combination with cookies to help create links between the advertising that brought a user to a website and the actions and data collected on that site.
- Example: Let's track Rufus' online session



# Rufus searches for “payday loan” on Randomportal.com



RandomPortal sets a cookie on Rufus' computer or calls a cookie that the browser previously accepted from RandomPortal.com

Random Portal collects:

1. Internet Protocol (IP) address
2. Address of the last URL visited prior to clicking through to randomportal.com
3. Browser and platform type and browser language
4. Data in any undeleted cookies

Assigns a **unique ID** so Rufus is **trackable** on other web sites

# RandomPortal sends query information to Google:

[http://rp-ads.google.com/search?q=payday+loan=rp-testing5&channel=test9&num=0&ad=w5&output=xml\\_no\\_dtd&ip=206.80.1.253&adtest=off&adsafe=medium&adpage=1&ie=UTF-8&oe=UTF-8&useragent=Mozilla%2F5.0+%28Windows%3B+U%3B+Windows+NT+5.1%3B+en-US%3B+rv%3A1.8.1.14%29+Gecko%2F20080404+Firefox%2F2.0.0.14](http://rp-ads.google.com/search?q=payday+loan=rp-testing5&channel=test9&num=0&ad=w5&output=xml_no_dtd&ip=206.80.1.253&adtest=off&adsafe=medium&adpage=1&ie=UTF-8&oe=UTF-8&useragent=Mozilla%2F5.0+%28Windows%3B+U%3B+Windows+NT+5.1%3B+en-US%3B+rv%3A1.8.1.14%29+Gecko%2F20080404+Firefox%2F2.0.0.14)

- Google receives Rufus' IP address, Rufus' query and the URL of the RandomPortal page where the query was made.
- If Rufus clicks on a sponsored link sold by Google, Google will also set a cookie on Rufus' computer
- Google will store and retain that information in Google's query logs for 9 months.

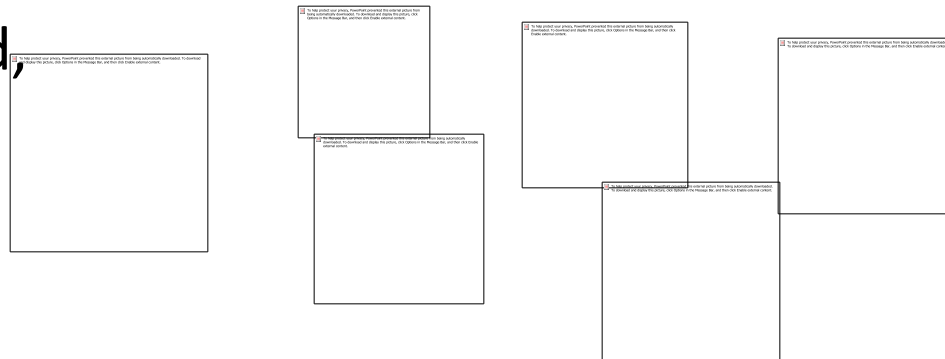
RandomPortal RandomPortal sends ad request to its third party ad server DoubleClick

- There are DoubleClick **pixels** on the pages of RandomPortal.com. This enables DoubleClick to set a **cookie** with a **unique ID** to track Rufus.
- DoubleClick will know whether Rufus clicks on ads or not. The actions of Rufus (click on the ad or no click), will be tracked and stored into Rufus' cookie.
- Every time Rufus comes back to RandomPortal, or another site containing DoubleClick action tags, the site checks Rufus' cookie, modifies it and adds some elements to it as relevant. Rufus' browser will automatically give the site access to the cookie file.

To enable and enhance behavioral targeting, ad networks and ad serving companies have action tags all over the web

- It's a safe assumption that ad serving companies like DoubleClick and Atlas have cookie data on 95% of consumers who surf the web. Such cookie data includes:

1. web pages visited,
2. ads clicked on,
3. queries made,
4. IP address



- What do ad serving companies do with such information?

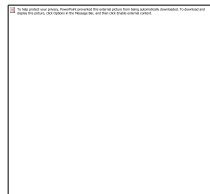
**They place users in target groups.**

With the “payday loan” query, Rufus is placed into group of consumers who are seeking financial services. Other inferences can be drawn from his IP address.

# Is Rufus aware of any of this happening?

## He reads RandomPortal's privacy policy

- “When you visit our website we may assign your computer one or more cookies to facilitate access to our site and to personalize your online experience. Through the use of a cookie, we also may automatically collect information about your online activity on our site, such as the web pages you visit, the links you click, and the searches you conduct on our site. Most browsers automatically accept cookies, but you can usually modify your browser setting to decline cookies. “
- We allow third-parties, including advertising companies and ad networks, to display advertisements on the Site. These companies may use tracking technologies, such as cookies or web beacons, to collect information about users who view or interact with their advertisements. This information allows them to deliver targeted advertisements and personalized online experiences and gauge their effectiveness.



To escape from behavioral targeting, Rufus can set his browser to **systematically refuse cookies** from Web sites or he can **delete cookies** from his computer's cookies file after every Web surfing session.

The Network Advertising Initiative offers a single location to opt out of ad targeting from member companies ([www.networkadvertising.org](http://www.networkadvertising.org)).



Network Advertising Initiative - Windows Internet Explorer

http://www.networkadvertising.org/managing/opt\_out.asp

File Edit View Favorites Tools Help

mywebsearch Search Smiley Central Screensavers Cursor Mania Fun Cards

Network Advertising Initiative

Network	Status	Opt-Out
<b>aCerno</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Advertising.com</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>AlmondNet</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Atlas</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>BlueLithium</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>DoubleClick</b> <a href="#">More Information</a>	<b>No Cookie</b> You have not opted out and you have no cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Media6degrees</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Mindset Media</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Revenue Science</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Safecount</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>SpecificMEDIA</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>24/7 Real Media</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>[x+1] (formerly Poindexter Systems)</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>Yahoo! Ad Network</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>
<b>TACODA Audience Networks</b> <a href="#">More Information</a>	<b>Active Cookie</b> You have not opted out and you have an active cookie from this network.	Opt-Out <input type="checkbox"/>

Done

start

Microsoft PowerPoint... Microsoft Office Com... Inbox - Microsoft Out... Privacy FTC Town Hall Nov 1... Atlas Collection and ... Network Advertising ...

12:01 AM Monday 5/19/2009



There is no specific disclosure and consent requirement. However the **FTC** issued proposed principles to guide the development of self-regulation


- Every Web site where data is collected for behavioral advertising should provide a **clear, consumer-friendly, and prominent statement that data is being collected** to provide ads targeted to the consumer and **give consumers the ability to choose** whether or not to have their information collected for such purpose.
- Any company that collects or stores consumer data for behavioral advertising should provide **reasonable security** for that data and should **retain data only as long as is necessary to fulfill a legitimate business or law enforcement need**.
- Companies should obtain **affirmative express consent** from affected consumers before **using data in a manner materially different** from promises the company made when it collected the data.
- Companies should only collect **sensitive data** for behavioral advertising if they obtain **affirmative express consent** from the consumer to receive such advertising.

# Example of Disclosure and Opt'Out Mechanisms

Yahoo!

Search

Help



## YOUR ADS ARE NOW SERVED

YAHOO! OFFERS ADS THAT SUIT YOUR TASTE...AND RESPECT YOUR PRIVACY

**It's your Web. At Yahoo!, we strive to make the Web as customized an experience as it can be. This means you can catch the score on your favorite team, see the up-to-the-second news you need, get the financial information that's most important to you—and see advertising that's relevant to you.**

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### How we customize your Yahoo! experience

- We look at browsing activity, such as the types of content accessed, ads clicked on, and searches conducted. Based on this, we infer certain interests and show matched ads. For example, for people who like to check out the golf scores on Yahoo! Sports, we may show ads that focus on golf-related products and services.
- We offer this service not just on the Yahoo! network but across our partners' networks as well.
- Advertising is how we're able to offer the innovative, free services you've come to expect from Yahoo!. As we continue to customize your Yahoo! experience, you may see ads that more closely reflect your interest.

### We take your privacy seriously

Trust is one of Yahoo!'s core values. We're committed to providing our users with a secure browsing experience and transparent policies showing how we use user information to enhance the browsing experience. [Read our Privacy Policy](#).

The Yahoo! Ad Network and BlueLithium are members of the Network Advertising Initiative (NAI), a cooperative of companies committed to building the most responsible advertising policies across the Internet. [Learn about](#) your ability to opt-out of interest-matched advertising served by Yahoo!.

### Frequently Asked Questions

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**Why do you customize my experience on Yahoo!?**

Customization features are designed to bring you the news, weather, or other content you want, and to help you find what you are looking for more efficiently.

[More](#)

**Where does Yahoo! show me customized ads?**

We show them to you while you are on Yahoo! as well as when you visit some of our partner sites.

[More](#)

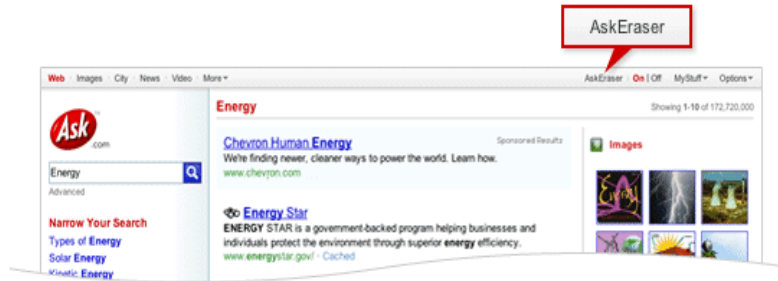
**Can I opt-out of getting customized advertising?**

Advertising helps us bring you all the great free content you're used to from Yahoo!.

[More](#)

[Read More FAQs](#)

# Other Example: Ask Eraser



[Return to Top](#)

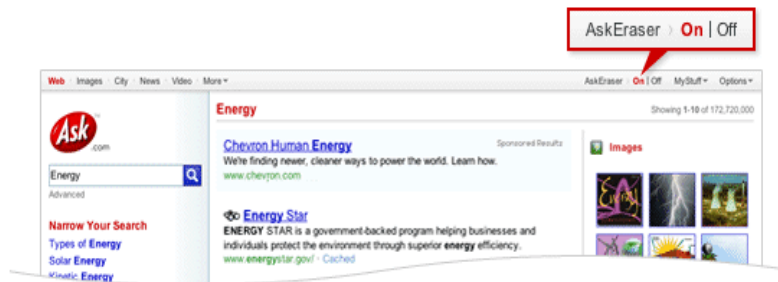
## What happens when AskEraser is on?

When AskEraser is [enabled](#), all Ask.com [cookies](#) will be deleted from your browser, one cookie will be set to remember that you have AskEraser turned on, and going forward, your search activity will be deleted from Ask.com servers. AskEraser will remain "on" across multiple visits to the Ask.com site as long as you do not clear your AskEraser cookie and are using the same computer and browser.

[Return to Top](#)

## How do I know if AskEraser is enabled?

When AskEraser is [enabled](#) you'll see a constant reminder at the top of the page as follows:



[Return to Top](#)